

Message Text

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GENEVA FOR PHELAN

E.O. 11652:N/A

TAGS: ETRD, RO

SUBJECT: US/ROMANIAN TEXTILE AGREEMENT.

1. FOLLOWING DRAFT AGREEMENT WAS PRESENTED TO ROMANIAN EMBASSY THIS AFTERNOON. COMMENTS ON AGREEMENT FOLLOW SEPTEL. PLEASE FORWARD DRAFT TEXT TO APPROPRIATE GOR OFFICIALS.

2. TEXT OF DRAFT AGREEMENT FOLLOWS:

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QUOTE: EXCELLENCY:

I REFER TO THE ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES, DONE AT GENEVA ON DECEMBER 20, 1973, HEREINAFTER REFERRED TO AS THE ARRANGEMENT. I ALSO REFER TO RECENT DISCUSSIONS BETWEEN REPRESENTATIVES OF OUR TWO GOVERNMENTS CONCERNING EXPORTS OF MAN-MADE FIBER AND WOOL TEXTILES, EXCLUDING YARN, FROM ROMANIA TO THE UNITED STATES. AS A RESULT OF THOSE DISCUSSIONS, AND IN CONFORMITY WITH ARTICLES FOUR AND SIX OF THE ARRANGEMENT, I WISH TO PROPOSE THE FOLLOWING AGREEMENT

RELATING TO TRADE IN WOOL AND MAN-MADE FIBER TEXTILES,
EXCLUDING YARN, BETWEEN ROMANIA AND THE UNITED STATES.

1. THE TERM OF THIS AGREEMENT SHALL BE FROM
JANUARY 1, 1977 THROUGH DECEMBER 31, 1980. DURING
SUCH TERM, THE GOVERNMENT OF THE SOCIALIST REPUBLIC
OF ROMANIA SHALL LIMIT EXPORTS FROM ROMANIA TO THE
UNITED STATES OF AMERICA TO THE ANNUAL LEVELS
SPECIFIED IN THE FOLLOWING PARAGRAPHS:

2. A) NON-APPAREL TEXTILE PRODUCTS (CATEGORIES 104
THROUGH 110, 126, 128, 131, 132, 206-213, AND 241-243)
AS A GROUP ARE SUBJECT TO A DESIGNATED CONSULTATION
LEVEL OF 10 MILLION SQUARE YARDS EQUIVALENT.

B) WITHIN THE DESIGNATED CONSULTATION LEVEL
FOR THE NON-APPAREL GROUP, EXPORTS IN INDIVIDUAL
CATEGORIES SHALL BE SUBJECT TO INDIVIDUAL
CONSULTATION LEVELS OF 1,000,000 SQUARE YARDS
EQUIVALENT FOR EACH MAN-MADE FIBER TEXTILE CATEGORY
AND 100,000 SQUARE YARDS EQUIVALENT FOR EACH WOOL
TEXTILE CATEGORY.

C) PURSUANT TO CONSULTATIONS BETWEEN THE TWO
GOVERNMENTS REGARDING THE CATEGORIES LISTED BELOW,
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ROMANIA MAY EXCEED THE MINIMUM STANDARD CONSULTATION
LEVELS FOR THE FIRST AGREEMENT YEAR ONLY BY THE
AMOUNTS INDICATED:

CATEGORY	AMOUNT
206	1,000,000
207	1,000,000
208	1,000,000
209	3,000,000
242	1,000,000

3. A) APPAREL TEXTILE PRODUCTS (CATEGORIES 111-125
AND 214-240) AS A GROUP ARE SUBJECT TO A SPECIFIC
LIMIT OF 22 MILLION SQUARE YARDS EQUIVALENT.

B) WITHIN THE SPECIFIC LIMIT FOR THE APPAREL GROUP,
CATEGORIES SHALL BE SUBJECT TO INDIVIDUAL SPECIFIC
LIMITS OR CONSULTATION LEVELS. FOR CATEGORIES NOT LISTED
IN (C) OR (D) OF THIS PARAGRAPH, THE ANNUAL CONSUL-
TATION LEVELS SHALL BE 700,000 SYE FOR EACH MAN-
MADE FIBER APPAREL CATEGORY AND 100,000 SYE FOR EACH
WOOL APPAREL CATEGORY.

C) THE FOLLOWING CATEGORIES SHALL HAVE DESIGNATED

ANNUAL CONSULTATION LEVELS AS INDICATED:

CATEGORY DESIGNATED ANNUAL CONSULTATION

----- LEVEL (SYE)

224 PT (OTHER-EXCLUDING

SUITS AND SUIT-TYPE

COATS) 2,500,000

229/224 PT. (SUIT-TYPE

COATS) 1,500,000

121 200,000

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122 350,000

D) CATEGORIES 120, 218/219/224 PT. (KNIT TOPS), 221
AND 237 WILL BE SUBJECT TO SPECIFIC LIMITS. THE FIRST
YEAR LEVEL FOR CATEGORY 218/219/224 PT. (KNIT TOPS)
WILL BE 2,500,000 SYE. THE LEVELS FOR EACH AGREEMENT
YEAR FOR CATEGORIES 120, 221, AND 237, INCLUDE THE
ADJUSTMENTS AUTHORIZED UNDER PARAGRAPH 4 AND 5,
AND ARE AS SHOWN IN SUBPARAGRAPH (E).

E) SPECIFIC LIMITS FOR CATEGORIES 120, 221, AND 237

AS ADJUSTED:

CATEGORY 1ST 2ND 3RD 4TH

--- AGREEMENT AGREEMENT AGREEMENT AGREEMENT

--- YEAR YEAR YEAR YEAR

120 87,150 88,022 88,902 89,791

--- UNITS UNITS UNITS UNITS

221 7,000,000 5,500,000 5,500,000 5,500,000

--- SYE SYE SYE SYE

237 221,490 236,994 253,584 271,335

--- UNITS UNITS UNITS UNITS

4. SPECIFIC LIMITS SHALL BE INCREASED IN EACH OF THE
SECOND, THIRD AND FOURTH AGREEMENTS YEARS BY 7 PERCENT,
EXCEPT THAT SPECIFIC LIMITS FOR WOOL CATEGORIES SHALL
BE INCREASED BY 1 PERCENT.

5. WITHIN THE GROUP LIMIT EACH SPECIFIC MAN-MADE
FIBER LIMIT MAY BE EXCEEDED BY 7 PERCENT OF SUCH
LIMIT IN ANY AGREEMENT YEAR AND EACH SPECIFIC
WOOL LIMIT MAY BE EXCEEDED BY 5 PERCENT (INTER-
CATEGORY FLEXIBILITY). THE ABOVE PERCENTAGE FIGURES
SHALL BE CALCULATED WITHOUT REGARD TO THE ADJUSTMENTS
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PROVIDED FOR UNDER PARAGRAPH 6 BELOW.

6. A) IN ANY AGREEMENT YEAR, EXPORTS MAY EXCEED ANY SPECIFIC LIMIT BY A MAXIMUM OF 11 PERCENT BY ALLOCATING TO THE LIMIT FOR THAT YEAR AN UNUSED PORTION OF THE SPECIFIC LIMIT FOR THE PREVIOUS AGREEMENT YEAR (CARRYOVER) OR A PORTION OF THE SPECIFIC LIMIT FOR THE SUCCEEDING AGREEMENT YEAR (CARRY FORWARD), EXCEPT THAT CARRYOVER SHALL NOT BE AVAILABLE IN THE FIRST AGREEMENT YEAR.

(I) CARRYOVER MAY BE UTILIZED AS AVAILABLE UP TO 11 PERCENT OF THE RECEIVING YEAR'S SPECIFIC LIMIT.

(II) CARRY FORWARD MAY BE UTILIZED UP TO 6 PERCENT OF THE RECEIVING YEAR'S SPECIFIC LIMIT AND CHARGED AGAINST THE NEXT YEAR'S SPECIFIC LIMIT.

(III) THE COMBINATION OF CARRYOVER AND CARRY FORWARD MAY NOT EXCEED 11 PERCENT OF THE RECEIVING YEAR'S SPECIFIC LIMIT IN ANY AGREEMENT YEAR.

B) FOR PURPOSES OF THIS AGREEMENT A SHORTFALL OCCURS WHEN EXPORTS FROM THE SOCIALIST REPUBLIC OF ROMANIA TO THE UNITED STATES OF AMERICA DURING AN AGREEMENT YEAR ARE BELOW THE SPECIFIC LIMITS IN THIS AGREEMENT. THE CARRYOVER SHALL NOT EXCEED THE AMOUNT OF SUCH SHORTFALLS.

C) CARRYOVER AND CARRY FORWARD SHALL NOT BE USED TO EXCEED ANY CONSULTATION LEVEL EXCEPT IN ACCORDANCE WITH THE CONSULTATION PROCEDURES OF PARAGRAPH 7, HEREOF.

D) THE LIMITS REFERRED TO IN SUBPARAGRAPHS (A) AND (B) OF THIS PARAGRAPH ARE WITHOUT ANY LIMITED OFFICIAL USE
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ADJUSTMENTS UNDER PARAGRAPH 5.

7. IN THE EVENT THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF ROMANIA WISHES TO EXPORT TO THE UNITED STATES OF AMERICA TEXTILE PRODUCTS IN EXCESS OF THE APPLICABLE CONSULTATION LEVELS, THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF ROMANIA SHALL FIRST REQUEST THE HIGHER LEVELS AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA SHALL CONSIDER THE REQUEST SYMPATHETICALLY AND SHALL RESPOND PROMPTLY. IF,

BECAUSE OF PROBLEMS OF MARKET DISRUPTION IN THE

UNITED STATES OF AMERICA IN A CATEGORY SUBJECT TO
SUCH REQUEST, THE UNITED STATES OF AMERICA IS
UNABLE TO COMPLY FULLY THE GOVERNMENT OF THE UNITED
STATES OF AMERICA WILL SO INFORM THE GOVERNMENT OF
THE SOCIALIST REPUBLIC OF ROMANIA AND WILL SUPPLY
INFORMATION WHICH FORMS THE BASIS OF THE POSITION
TAKEN BY THE UNITED STATES OF AMERICA. IF BECAUSE
OF MARKET PROBLEMS IN THE NON-APPAREL GROUP, THE UNITED
STATES OF AMERICA IS UNABLE TO COMPLY WITH A REQUEST
FOR AN INCREASE IN THE CONSULTATION LEVEL FOR THAT
GROUP THE GOVERNMENT OF THE UNITED STATES OF AMERICA
WILL SO INFORM THE GOVERNMENT OF ROMANIA. THE
GOVERNMENT OF THE UNITED STATES OF AMERICA WILL
CONSULT PROMPTLY WITH THE GOVERNMENT OF THE
SOCIALIST REPUBLIC OF ROMANIA TO ARRIVE AT A
MUTUALLY SATISFACTORY SOLUTION. UNTIL A MUTUALLY
SATISFACTORY SOLUTION IS REACHED, SHIPMENTS SHALL
NOT EXCEED THE EXISTING CATEGORY AND GROUP
CONSULTATION LEVELS.

8. IN ACCORDANCE WITH ARTICLE 12, PARAGRAPH 3, OF THE
ARRANGEMENT AND SUBJECT TO THE ESTABLISHMENT OF A
MUTUALLY AGREED UPON CERTIFICATION SYSTEM EXPORTS
FROM THE SOCIALIST REPUBLIC OF ROMANIA TO THE
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UNITED STATES OF AMERICA OF HANDLOOM FABRICS OF
THE COTTAGE INDUSTRY OF ROMANIA, OR HANDMADE
COTTAGE INDUSTRY PRODUCTS OF SUCH HANDLOOM FABRICS,
OR AGREED TRADITIONAL FOLKLORE TEXTILE PRODUCTS
SHALL NOT BE SUBJECT TO THE PROVISIONS OF THIS
AGREEMENT.

9. THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF ROMANIA
SHALL USE ITS BEST EFFORTS TO SPACE EXPORTS FROM
ROMANIA TO THE UNITED STATES WITHIN EACH CATEGORY
EVENLY THROUGHOUT THE AGREEMENT YEAR, TAKING INTO
CONSIDERATION NORMAL SEASONAL FACTORS. EXPORTS
FROM ROMANIA IN EXCESS OF AUTHORIZED LEVELS FOR
EACH AGREEMENT YEAR WILL, IF ALLOWED ENTRY INTO
THE UNITED STATES, BE CHARGED TO THE APPLICABLE
LEVEL FOR THE SUCCEEDING AGREEMENT YEAR.

10. THE GOVERNMENT OF THE UNITED STATES OF AMERICA
SHALL PROMPTLY SUPPLY THE GOVERNMENT OF THE
SOCIALIST REPUBLIC OF ROMANIA WITH DATA ON

MONTHLY IMPORTS OF WOOL AND MAN-MADE FIBER

TEXTILES, EXCLUDING YARN FROM ROMANIA; AND THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF ROMANIA SHALL PROMPTLY SUPPLY THE GOVERNMENT OF THE UNITED STATES OF AMERICA WITH QUARTERLY DATA ON EXPORTS OF WOOL AND MAN-MADE FIBER TEXTILES, EXCLUDING YARN, TO THE UNITED STATES. EACH GOVERNMENT AGREES TO SUPPLY PROMPTLY ANY OTHER PERTINENT AND READILY AVAILABLE STATISTICAL DATA REQUESTED BY THE OTHER GOVERNMENT.

11. A) IN IMPLEMENTING THIS AGREEMENT, THE SYSTEM OF CATEGORIES AND THE RATES OF CONVERSION INTO SQUARE YARDS EQUIVALENT LISTED IN THE ANNEX
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HERETO SHALL APPLY, BOTH PARTIES UNDERSTANDING THAT ANY REVISION BY THE UNITED STATES OF ITS CATEGORY SYSTEM WILL REQUIRE APPROPRIATE ADJUSTMENTS TO THIS ANNEX.

B) PIECE GOODS, MADE-UP ARTICLES, GARMENTS, AND OTHER TEXTILE MANUFACTURED PRODUCTS (BEING PRODUCTS WHICH DERIVE THEIR CHIEF CHARACTERISTICS FROM THEIR TEXTILE COMPONENTS) OF COTTON, WOOL AND MAN-MADE FIBER, OR BLENDS THEREOF IN WHICH ANY OR ALL OF THOSE FIBERS IN COMBINATION REPRESENT EITHER THE CHIEF VALUE OF THE FIBERS OR 50 PERCENT OR MORE BY WEIGHT (OR 17 PERCENT OR MORE BY WEIGHT OF WOOL) OF THE PRODUCT, ARE SUBJECT TO THIS AGREEMENT.

C) TEXTILE PRODUCTS ARE SUBJECT TO THIS AGREEMENT, IF WHOLLY OR IN CHIEF VALUE OF MAN-MADE FIBER OR WOOL, AND, IF WHOLLY OR OF CHIEF VALUE COTTON, TEXTILE PRODUCTS ARE SUBJECT TO THE COTTON TEXTILE AGREEMENT OF JUNE 2, 1975.
ALL OTHER PRODUCTS DESCRIBED IN SUBPARAGRAPH (B) OF THIS PARAGRAPH SHALL BE CLASSIFIED AS FOLLOWS:

(I) COTTON TEXTILES ARE SUBJECT TO THE COTTON TEXTILE AGREEMENT IF CONTAINING 50 PERCENT OR MORE BY WEIGHT OF COTTON, OR IF THE COTTON COMPONENT EXCEEDS BY WEIGHT THE WOOL AND/OR THE MAN-MADE FIBER COMPONENT.

(II) WOOL TEXTILES IF NOT COTTON, AND THE WOOL EQUALS OR EXCEEDS 17 PERCENT BY WEIGHT OF ALL COMPONENT FIBERS.

(III) MAN-MADE FIBER TEXTILES IF NEITHER OF THE FOREGOING APPLIES.

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12. THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF ROMANIA
AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AGREE TO CONSULT ON ANY QUESTION ARISING IN THE
IMPLEMENTATION OF THIS AGREEMENT.

13. MUTUALLY SATISFACTORY ADMINISTRATIVE ARRANGEMENTS
OR ADJUSTMENTS MAY BE MADE TO RESOLVE MINOR PROB-
LEMS ARISING IN THE IMPLEMENTATION OF THIS
AGREEMENT, INCLUDING DIFFERENCES IN POINTS OF
PROCEDURE OR OPERATION.

14. IF THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF
ROMANIA CONSIDERS THAT, AS A RESULT OF LIMITATIONS
SPECIFIED IN THIS AGREEMENT, ROMANIA IS BEING
PLACED IN AN INEQUITABLE POSITION VIS-A-VIS A THIRD
COUNTRY, THE GOVERNMENT OF THE SOCIALIST REPUBLIC
OF ROMANIA MAY REQUEST CONSULTATIONS WITH THE
GOVERNMENT OF THE UNITED STATES OF AMERICA WITH
A VIEW TO TAKING APPROPRIATE REMEDIAL ACTION SUCH
AS REASONABLE MODIFICATION OF THIS AGREEMENT.

15. FOR THE DURATION OF THIS AGREEMENT, THE GOVERNMENT
OF THE UNITED STATES OF AMERICA SHALL NOT INVOKE
THE PROCEDURES OF ARTICLE 3 OF THE ARRANGEMENT TO
REQUEST RESTRAINT ON MAN-MADE FIBER AND WOOL
TEXTILES, EXCLUDING YARN, FROM ROMANIA TO THE
UNITED STATES.

16. THE GOVERNMENT OF THE UNITED STATES OF AMERICA
MAY ASSIST THE GOVERNMENT OF THE SOCIALIST
REPUBLIC OF ROMANIA IN IMPLEMENTING THE LIMITATION
PROVISIONS OF THIS AGREEMENT BY CONTROLLING IMPORTS
OF TEXTILES EXPORTED FROM ROMANIA TO THE LEVELS AS
SPECIFIED IN THE AGREEMENT.

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17. EITHER GOVERNMENT MAY TERMINATE THIS AGREEMENT
EFFECTIVE AT THE END OF ANY AGREEMENT YEAR BY
WRITTEN NOTICE TO THE OTHER GOVERNMENT TO BE
GIVEN AT LEAST 90 DAYS PRIOR TO THE END OF SUCH
AGREEMENT YEAR. EITHER GOVERNMENT MAY AT ANY
TIME PROPOSE REVISIONS IN THE TERMS OF THIS
AGREEMENT.

IF THE FOREGOING PROPOSAL IS ACCEPTABLE TO THE

GOVERNMENT OF THE SOCIALIST REPUBLIC OF ROMANIA, THIS
NOTE AND YOUR NOTE OF CONFIRMATION ON BEHALF OF THE
GOVERNMENT OF THE SOCIALIST REPUBLIC OF ROMANIA SHALL
CONSTITUTE AN AGREEMENT BETWEEN THE GOVERNMENT OF THE
SOCIALIST REPUBLIC OF ROMANIA AND THE GOVERNMENT OF
THE UNITED STATES OF AMERICA.

ACCEPT, EXCELLENCY, THE RENEWED ASSURANCES OF MY
HIGHEST CONSIDERATION. UNQUOTE. CHRISTOPHER

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